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Explaining The Surge in Funding for Spy Agency ASD

The Social Cyber Institute today released a paper analysing the motives of the Australian government for a massive surge in its funding for the country's cyber spy agency beginning in 2022 and escalating in 2024.

The paper's author, Professor Greg Austin, called for greater public and parliamentary scrutiny of the agency, the Australian Signals Directorate (ASD), in the light of these massive increases in funding. The paper is available at https://www.socialcyber.co/files/ugd/15144d_d17226e1e1684e5f8df9ee07a0ea8c23.pdf.

Key points

- The ASD annual budget tripled in size between FY2019-20 and FY2023-24. The corresponding growth rate in overall Defence Budget (of which ASD is a part) was only 23% over the same years. So the ASD budget growth rate outpaced overall defence budget growth by a factor of more than eight. This was a timely catch up by ASD with Australian allies, the US and the UK, in preparations of warfighting in cyberspace.
- When the first phase of this spending surge was announced in 2022, the funding priorities were presented as a tripling of offensive cyber capability, a doubling of persistent cyber hunt activities, a gain of 1900 new posts in cyber operations over the decade, an ambition to have 40% of staff located outside Canberra, and a quadrupling of the global footprint.
- The 2024 increases relate to capital investment, meaning significant upgrades of ASD technical systems. The value of the increase over ten years would be up to \$17 bn more than was approved previously.
- The plans also explicitly provide for increased ASD operations inside Australia, continuing the decades-long blurring of the agency's traditional role as externally oriented -- collecting intelligence outside Australia .
- The paper assesses that main political motivation for this spending surge has been internal security against covert foreign influence.
- Complementary motivations include imperatives of closer operational coordination with the US and the UK implied by the AUKUS agreement and disquiet about the deteriorating strategic environment. But the explosive character of the cyber surge stands in strong contrast to the very slow and protracted process of purchasing nuclear power submarines which are a major response of the government to China's military posture.



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- The main motivation of the cyber surge was definitely not domestic cyber security (protecting government and corporate IT systems, including critical infrastructure, from cyber intrusions by criminals or data theft by foreign states) but the new spending will enable ASD to be far more effective on that front.

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